Hazer Group Limited
Appendix 4E
Final report

1. Company details

Name of entity:	Hazer Group Limited
ABN:	40 144 044 600
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

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2. Results for announcement to the market

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Revenues from ordinary activities	down	14%	to	1,436,617
Loss from ordinary activities after tax attributable to the owners of Hazer Group Limited	down	27%	to	3,225,289
Loss for the year attributable to the owners of Hazer Group Limited	down	27%	to	3,225,289

Dividends

	Amount per security Cents	**Franked amount per security Cents**
Final dividend for the year ended 30 June 2020	0.0	0.0
Interim dividend for the year ended 30 June 2020	0.0	0.0

No dividend has been declared.

Comments
The loss for the Company amounted to $3,225,289 (30 June 2019: $4,396,377).

Losses after income tax decreased by 27% on the prior year largely due to the Company's non-cash expenditure decreasing by 58% to $717,125 (2019: $1,708,942). Non-cash expenditure includes share based payments associated with expensing options issued to management and employees and depreciation and amortisation expenses. In particular the Company's amortisation expense was nil in the year (2019: $793,238) with Company's pilot plant fully depreciated in the prior year.

The Company's total cash operating expenditure including administration, consulting and research and employee expenses and finance costs decreased by 9% to $3,944,781 (30 June 2019: $4,356,803).

The Company's cash and cash-equivalent were $17,236,257 at 30 June 2020 (30 June 2019: $6,003,608) and net assets at 30 June 2020 were $18,013,551 (30 June 2019: $5,834,306).

The net operating cash outflow for the year of $2,493,508 was consistent with the prior period (30 June 2019: $2,570,609). The Company's operating cash outflows were partly offset by a research and development tax incentive rebate of $1,339,951 (2019: $1,639,241) and a Covid cash boost payment from the Australian Federal Government of $50,000 (2019: Nil). The Australian Federal Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies and is an important program that strongly supports Australian innovation.

Investing cash outflows of $971,900 (2019: $42,719) during the year related to capital costs associated with the Hazer Commercial Demonstration Plant. Investing cash outflows in the prior year related to plant and equipment purchases.

Financing cash inflows increased by 504% to $14,698,597 (2019: $2,431,837). Funds were generated during the year from a placement to institutional and sophisticated shareholders and Share Purchase Plan in November 2019 and December 2019 respectively at an issue price of $0.385 per share raising total proceeds of $5,957,507 before share issue costs and a placement to institutional and sophisticated shareholders in June 2020 at an issue price of $0.42 per share raising total proceeds of $8,400,000 before share issue costs. In addition funds were raised during the year from the exercise of 900,000 unlisted Series D options ($0.40 exercise price) and 2,625,000 unlisted Series B options ($0.40 exercise price) which raised a total of $1,410,000 before share issue costs. Share issue costs incurred during the year were $1,035,044.

As an early-stage company, the Company's business model highly depends on the achievement of continued technical development success, future funding, customer engagement and general financial and economic factors.

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3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	13.22	6.00

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4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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6. Details of associates and joint venture entities

Not applicable.

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7. Audit qualification or review

The financial statements have been audited and an unqualified opinion has been issued.

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8. Attachments

The Annual Report of Hazer Group Limited for the year ended 30 June 2020 is attached.

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9. Signed

Signed Tim Goldsmith

Date: 24 August 2020

Tim Goldsmith
Director

Hazer Group Limited

ABN 40 144 044 600

Annual Report – 30 June 2020

CORPORATE DIRECTORY

Directors	Tim Goldsmith (Non-Executive Chairman) Danielle Lee (Non-Executive Director) Andrew Harris (Non-Executive Director) Geoff Ward (Executive Director)
Company secretary	Emma Waldon
Registered office	Level 9, 99 St Georges Terrace Perth WA 6000
Principal place of business	Level 9, 99 St Georges Terrace Perth WA 6000
Share register	Link Market Services Limited QV1 Building, Level 12, 250 St Georges Terrace Perth WA 6000
Auditor	RSM Australia Partners Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000
Solicitors	Lavan Legal Level 20/1 William St Perth WA 6000
Bankers	Commonwealth Bank of Australia 150 St Georges Terrace Perth WA 6000
Stock exchange listing	Hazer Group Limited shares are listed on the Australian Securities Exchange (ASX code: HZR)
Website	www.hazergroup.com.au
Corporate Governance Statement	http://www.hazergroup.com.au/about/corporate-governance

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board, I am pleased to present the 2020 Annual Report to shareholders.

During the past year, the Company made significant progress towards the commercialisation of the Hazer Process and in July 2020 the Board was pleased to approve the final investment decision for the Hazer Commercial Demonstration Plant (CDP) Project. The CDP will be the first fully integrated, operational production facility based on the Hazer Process and represents the key next step in fully commercialising the Hazer technology.

Pursuing the scale-up of the Hazer technology through a commercial demonstration site is a key platform of our strategy to commercialise the Hazer technology. It will allow us to demonstrate the safe and efficient scale-up of our technology, provide a reference site to future customers, and establish initial markets for graphite products. We believe this will position us well to capture opportunities in the emerging market for low-emission hydrogen servicing transport sector, clean heating and power services and, later, low carbon industrial processes.

Funding for the CDP was secured though the year through a combination of equity capital raisings totalling $15.8 million (before share issue costs), grant funding of up to $9.41 million from the Australian Renewable Energy Agency (ARENA) and a $6.0 million senior secured loan facility from Mitchell Asset Management (MAM).

We are delighted and appreciative of the strong support that has been shown for Hazer during the year from both existing and new shareholders to the Company. This has been vital to allow us to make the significant progress we have over the last 12 months in securing our first demonstration project.

In addition to the support from our shareholders I would also like to highlight the strong support and engagement we have received from Water Corporation and ARENA. I would like to thank Water Corporation for their engagement and support in completing the binding agreements for biogas supply and project collaboration for the CDP, and ARENA for their ongoing support in funding this exciting Australian developed technology. We look forward to continuing to work with you to deliver an excellent project.

While Hazer's primary focus over the past year has been the development of the Commercial Demonstration Project, we have continued to make significant progress with our research and development program and also our commercial development activities with significant developments in both areas.

In R&D during 2020, we were accepted as a member of the Innovative Manufacturing Cooperative Research Centre, providing us with an enhanced R&D platform at lower ongoing costs. Dr. Andrew Cornejo continues to lead this endeavour with our team of dedicated post-doctoral researchers, contributing to the ongoing refinement of the Hazer process and examination of the many possibilities the Hazer graphite provides to a wide range of potential users.

During the year, we were also delighted to announce a Memorandum of Understanding for collaboration of the commercialisation of the Hazer Technology in Japan with Chiyoda Corporation. In January 2020, we were also pleased to secure a grant from the Western Australian government to undertake a feasibility study into establishing a renewable hydrogen refuelling infrastructure in the City of Mandurah and Peel Region. We look forward to exciting opportunities developing from these and other activities in 2021.

Finally, I would like to thank Mike Grey who resigned as Mineral Resources Limited's nominated Director during the year for his collaborative and constructive relationship with the Company and important contribution to Hazer during his time as a Non-Executive director.

I look forward to your continued support as a shareholder as the Company continues its commercialisation activities.

Yours faithfully

Tim Goldsmith

Mr Tim Goldsmith
Non-Executive Chairman
Hazer Group Limited

MANAGING DIRECTOR'S REPORT

ABOUT HAZER GROUP

Hazer Group Limited ("Hazer" or the "Company") is the commercialisation entity for the Hazer Process – a potential low-cost, low-emission novel hydrogen-and-graphite production technology, originally developed at the University of Western Australia.

Low-emission hydrogen and graphite are both key products in a de-carbonising economy, and there is a significant global focus on developing a hydrogen economy as part of a transition to a low-carbon environment.

The Hazer Process enables the production of hydrogen from methane in an environmentally friendly process together with the production of high-purity graphite. The Hazer Process captures the full value of feedstock by producing two valuable products without creating CO2 in the process.

The Hazer Process has several distinguishing features from existing commercial hydrogen-production technologies that are either high in emissions or expensive. The features include the use of iron ore/iron oxide as a low-cost catalyst for the process; the co-production of high-purity graphite; and the avoidance of a significant proportion of the CO2 emissions associated with traditional hydrogen-production systems.

During the year, the Company made significant progress on its core development pathway to commercialise the Hazer Process, the Hazer Commercial Demonstration Plant ("CDP") and in July 2020 the Board approved the final investment decision to proceed with the Project.

COMMERCIAL DEMONSTRATION PLANT PROJECT

Project Overview

The CDP is a 100-ton-per-annum low-emission hydrogen production facility that will be the first larger-scale, fully integrated deployment of the Hazer Process. The hydrogen produced will be fuel cell grade, capable of use as a low-emission transport fuel, for power generation or in clean industrial applications.

The Hazer CDP will be located at Water Corporation's Woodman Point Wastewater Treatment Plant at Munster in Western Australia. The CDP will use biogas produced at the treatment plant as feedstock to produce hydrogen and graphite. The Project will utilise approximately two million standard cubic metres of biogas that is currently being flared for environmental mitigation.

The Project has a CAPEX budget of $17.0 million and includes a stationary hydrogen fuel cell power-generation system. This will allow Hazer to use some of the hydrogen produced by the CDP to generate its own renewable power, thereby offsetting power purchased from utility providers and reducing Project operating costs. The installation of the hydrogen fuel cell will be one of the first larger-scale installations in Australia and will demonstrate the technology's ability to be integrated with the Australian grid.

Hazer has appointed Perth-based Primero Group as the engineering, procurement, and construction contractor for the Project. Hazer has been working with Primero Group under an Early Contractor Involvement contract to develop the detailed design, procurement packages, project schedules and budgets since June 2019. Due to the CDP's pioneering nature and the need for Hazer, as the process technology owner, to be closely involved in design and procurement decisions, the contract with Primero will be a reimbursable contract with a target budget in place against a detailed scope of work and cost estimate.

The CDP is expected to commence pre-commissioning activities in Q2 calendar year 2021 and achieve practical completion in mid-2021. The Project is intended to operate for up to three years or until the end of 2023, depending on the future operational plans of the Woodman Point facility.

Project Financing

Funding for the CDP has been secured through a combination of equity capital raisings during the year totalling $15.8 million (before share issue cost), grant funding of up to $9.41 million from the Australian Renewable Energy Agency (ARENA) and a $6.0 million senior secured loan facility from Mitchell Asset Management (MAM).

ARENA Funding Agreement

In March 2020, Hazer entered into a binding Funding Agreement with the Australian Renewable Energy Agency (ARENA) for a grant of up to $9.41 million to support the construction and operation of the CDP. Subsequent to the end of the year, Hazer was pleased to advise that all conditions precedent to this agreement have been, or are capable of being met and Hazer will be able to draw down the grant upon achievement of the agreed milestones, submission of required reports, and verification of submissions by ARENA.

Senior Secured Loan Facility

In July 2020, Hazer executed binding agreements with Mitchell Asset Management (MAM) in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund (ABN 88 447 520 706) for a $6 million senior secured loan facility to support the construction of the CDP, for which the parties had previously entered into a non-binding Term Sheet during the year. The key purpose of the loan is to fund the R&D activities associated with the construction of the CDP, however, the loan may also be utilised to improve the short term liquidity of the Company and cover the lending costs.

The loan, which will be called down in 3 tranches of $2 million each, has a term of up to 5 years with repayments to be made from future R&D Tax Incentive payments received by Hazer. MAM will hold security over all future R&D Tax Incentive rebates received by the Hazer, as well as a registered security interest over the present and future assets of Hazer, under a general security deed to be granted by Hazer in favour of MAM. The Australian Federal Government's R&D Tax Incentive Program provides a cash refund on eligible research and development activities performed by Australian companies. The drawdown of the first tranche is expected to be made in Q3 calendar year 2020.

Together, Hazer's cash resources ($17.2 million as at 30 June 2020), the MAM loan and the ARENA grant are forecast to be sufficient to fully fund the construction of the CDP and the first 12 months of planned operations, plus the Company's ongoing R&D program, business development activities and ongoing corporate costs until June 2022.

COMMERCAL OPPORTUNITIES & PARTNERSHIPS

As part of its commercial development strategy, Hazer has engaged extensively with potential partners in key early adopter markets for low-emission hydrogen. Hazer has focussed on markets that have strong support for the transition to a hydrogen economy and the uptake of hydrogen as a transport fuel. Particularly, Hazer is considering emerging premium low-emission hydrogen opportunities in Asia. Hazer is also identifying opportunities in markets such as the USA (California) and Europe.

Memorandum of Understanding with Chiyoda Corporation

During the year, Hazer was pleased to enter into a Memorandum of Understanding (MOU) with Chiyoda Corporation to collaborate on the commercialisation of the Hazer technology in Japan and develop low emission hydrogen production facilities. Japan is a leading proponent of the hydrogen economy and a key market for clean, low-emission hydrogen such as that produced by the Hazer Process. Through their work for the Japanese government, cities, prefectures and private industry clients, Chiyoda is a leader in the hydrogen industry in Japan. Chiyoda's knowledge, experience and capability make them an excellent partner for Hazer, with their project development, execution and operation capabilities complementing Hazer's technology offering. We look forward to working closely with them in this important market.

Hydrogen Transport Applications Feasibility Study

In January 2020, Hazer was a successful applicant for Feasibility Study funding under the Western Australian state government's Renewable Hydrogen Fund. The fund is a key part of the government's Renewable Hydrogen Strategy which aims to position WA as a major producer, user and exporter of renewable hydrogen. Hazer's application is for a Feasibility Study on the creation of a renewable hydrogen refuelling hub based on the City of Mandurah and Peel region.

The study aims to identify and aggregate customers for hydrogen-based low-emission transport applications and match them with hydrogen infrastructure and supply solutions, including potential supply from a future expansion of the proposed Hazer CDP. The WA state government has committed to provide up to $250,000 to complete the study, with an additional $100,000 (total) committed by Hazer and its study partners.

Hazer has executed a Financial Assistance Agreement with the WA Department of Jobs, Tourism, Science and Innovation for the study and formed a Study Group to manage and oversee the Feasibility Study. The Study Group, who will co-fund the study with Hazer, comprises Hyzon Motors Australia, a manufacturer of heavy duty fuel cell electric vehicles - in particular buses and trucks – and Macquarie Group, a leader in managing, developing and financing infrastructure and renewable energy projects globally.

Mineral Resources Limited Collaboration

In December 2017, Hazer and Mineral Resources Limited (ASX: MIN) executed a binding Co-Operation Agreement to work together for the purposes of developing and commercialising the Hazer Process. Under the terms of the agreement, Mineral Resources is providing all capital required for a staged development project for graphite production. Hazer has provided Mineral Resources with access to the existing Hazer IP portfolio, technical assistance and support.

Commissioning of the Stage 1 Mineral Resources Paddle Tube Reactor (PTR) Pilot Plant was completed during the prior year. Initial production runs successfully produced high-quality graphite with a purity of >95% (Total Graphitic Carbon).

During the current year, Hazer supported Mineral Resources in its assessment of the PTR Pilot Plant results and assisting as required to support their decision process to continue to Stage 2 of the strategic partnership. Under Stage 2, Mineral Resources will design, construct and own an initial small-scale graphite plant (based on the Hazer Process) to supply graphite to initial commercial customers. Mineral Resources continue to assess options to develop the proposed synthetic-graphite project but has not yet advised Hazer of their proposed decision process to continue to Stage 2 of the strategic partnership.

Under Stage 3 of the Co-Operation Agreement, subject to securing sufficient customer support, the plant is then intended to expand to a nominal target capacity of 10,000 tpa of graphite. Hazer and Mineral Resources are also required to agree the full commercial terms of the licensing agreement to use the Hazer Process, including details of the proposed royalty agreement for graphite produced.

RESEARCH & DEVELOPMENT PROGRAM

During the year, Hazer was awarded matching Innovative Manufacturing CRC (IMCRC) funding of $800,000 over two years to support its ongoing successful research and development (R&D) collaboration with the University of Sydney's School of Chemical and Biomolecular Engineering. The IMCRC is a not-for-profit, independent cooperative research centre that helps Australian companies increase their global relevance through research-led innovation in manufacturing products, processes and services.

Under the R&D program, Hazer is progressing its research into advanced carbon materials (ACM) applications. Hazer is investigating the use of graphite ACM derived from Hazer's novel manufacturing process, the Hazer Process, focusing on applications including Li-ion batteries, water purification, and additives for lubrication products. Previous R&D projects have indicated promising results in these three product sectors and potential use as an additive in advanced building materials and cement.

INTELLECTUAL PROPERTY

Hazer has implemented a sound strategy to progress existing patent applications and identify additional intellectual property. The Company now has patents granted in Australia, New Zealand and Singapore and further patent applications have been accepted in South Africa and Eurasia across two of its core patent families. The countries that are covered by the Eurasian application are: Turkmenistan, the Republic of Belarus, the Republic of Tajikistan, Russia, the Azerbaijan Republic, the Republic of Kazakhstan, Kyrgyzstan, and Armenia. In addition, Hazer had a patent granted in the United States during the year for an application originally filed by the University of Western Australia which was assigned to Hazer prior to its listing on the ASX. This patent was filed in the United States only and there are no other pending applications in this patent family. Remaining patent applications remain ongoing, pursuant to the normal procedures and timelines of the relevant patent organisations.

MANAGING DIRECTOR'S REPORT

OUTLOOK

This approval to proceed with the Hazer CDP is a significant milestone, and we look forward to moving smoothly into Project execution. The Hazer CDP is a key step in demonstrating the commercial readiness of our technology to the growing national, and international, low-emission hydrogen market. We are delighted to continue the development of this novel Australian technology. We look forward to working with Primero to execute an excellent project.

We are grateful for the support of ARENA and Water Corporation in making this exciting world-first project possible. The Hazer technology enables a new source of low-emission renewable hydrogen to be developed. It will increase the utilisation of waste resources, improve civic infrastructure and offer new economic opportunities through the development of graphite-manufacturing opportunities and hydrogen for transport or clean energy. We acknowledge ARENA and Water Corporation for supporting the CDP.

Mr Geoff Ward
Managing Director and Chief Executive Officer

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on Hazer Group Limited (referred to hereafter as 'the Company') for the year ended 30 June 2020.

Directors
The following persons were Directors of Hazer Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Tim Goldsmith
Danielle Lee
Andrew Harris
Mike Grey – resigned 11 May 2020
Geoff Ward

Principal activities
During the financial year, the principal continuing activities of the Company consisted of research and development of novel graphite-and-hydrogen-production technology.

The Company has intellectual property rights to a technology (the 'Hazer Process') which enables the production of hydrogen gas from the thermo-catalytic decomposition of methane (natural gas) with negligible carbon dioxide emissions and the co-production of a high-purity graphite product.

Dividends
There were no dividends paid during the year.

Review of operations
The loss for the Company amounted to $3,225,289 (30 June 2019: $4,396,377).

Losses after income tax decreased by 27% on the prior year largely due to the Company's non-cash expenditure decreasing by 58% to $717,125 (2019: $1,708,942). Non-cash expenditure includes share based payments associated with expensing options issued to management and employees and depreciation and amortisation expenses. In particular the Company's amortisation expense was nil in the year (2019: $793,238) with Company's pilot plant fully depreciated in the prior year.

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The net operating cash outflow for the year of $2,493,508 was consistent with the prior period (30 June 2019: $2,570,609). The Company's operating cash outflows were partly offset by a research and development tax incentive rebate of $1,339,951 (2019: $1,639,241) and a Covid cash boost payment from the Australian Federal Government of $50,000 (2019: Nil). The Australian Federal Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies and is an important program that strongly supports Australian innovation.

Investing cash outflows of $971,900 (2019: $42,719) during the year related to capital costs associated with the Hazer Commercial Demonstration Plant. Investing cash outflows in the prior year related to plant and equipment purchases.

Financing cash inflows increased by 504% to $14,698,597 (2019: $2,431,837). Funds were generated during the year from a placement to institutional and sophisticated shareholders and Share Purchase Plan in November 2019 and December 2019 respectively at an issue price of $0.385 per share raising total proceeds of $5,957,507 before share issue costs and a placement to institutional and sophisticated shareholders in June 2020 at an issue price of $0.42 per share raising total proceeds of $8,400,000 before share issue costs. In addition funds were raised during the year from the exercise of 900,000 unlisted Series D options ($0.40 exercise price) and 2,625,000 unlisted Series B options ($0.40 exercise price) which raised a total of $1,410,000 before share issue costs. Share issue costs incurred during the year were $1,035,044.

As an early-stage company, the Company's business model is highly dependent on the achievement of continued technical development success, future funding, customer engagement and general financial and economic factors.

DIRECTORS' REPORT

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

- On 31 July 2020, the Company approved final investment decision to proceed with the Hazer Commercial Demonstration Plant (CDP). The CDP is a 100-ton-per-annum low-emission hydrogen production facility that will be the first larger-scale, fully integrated deployment of the Hazer Process and will be located at Water Corporation's Woodman Point Wastewater Treatment Plant at Munster in Western Australia. The project has a $17 million capex budget. The CDP is expected to commence pre-commissioning activities in Q2 2021 and achieve practical completion in mid calendar year 2021. The Project is intended to operate for up to three years or until the end of 2023, depending on the future operational plans of the Woodman Point facility.
- In March 2020, Hazer entered into a binding Funding Agreement with the Australian Renewable Energy Agency (ARENA) for a grant of up to $9.41 million to support the construction and operation of the CDP. On 31 July 2020, the Company was able to confirm that all conditions precedent to this agreement have been, or are capable of being met and the Company will be able to draw down the grant upon achievement of the agreed milestones, submission of required reports, and verification of submissions by ARENA.
- On 31 July 2020, the Company executed binding agreements with Mitchell Asset Management (MAM) in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund (ABN 88 447 520 706) for a $6 million senior secured loan facility to support the construction of the CDP. The key purpose of the loan is to fund the R&D activities associated with the construction of the CDP, however, the loan may also be utilised to improve the short term liquidity of the Company and cover the lending costs. The loan, which will be called down in 3 tranches of $2 million each, has a term of up to 5 years with repayments to be made from future R&D Tax Incentive payments received by Hazer. MAM will hold security over all future R&D Tax Incentive rebates received by the Hazer, as well as a registered security interest over the present and future assets of Hazer, under a general security deed to be granted by Hazer in favour of MAM. The drawdown of the first tranche is expected to be made in Q3 calendar year 2020.
- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no impact on the Company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

DIRECTORS' REPORT

Information on directors

Name:	Tim Goldsmith
Title:	Non-Executive Chairman (Independent Director)
Qualifications:	Bachelor of Commerce from the Polytechnic of North London (now North London University). Member of the Institute of Chartered Accountants Australia and New Zealand.
Experience and expertise:	Tim was previously a partner at global professional services firm PricewaterhouseCoopers (PwC) for over 20 years. Tim held multiple roles during his PwC career and is best known for leading PwC's global mining team, with more than 2,000 partners and staff in more than 100 mining countries. During his tenure as Global Mining Leader, Tim was also responsible for PwC's thought leadership on the future of the mining industry and was a well-known presenter at mining conferences around the globe. Tim was an early participator in the China growth story and initiated a China focus in 2002 that lead to PwC's Australia China desk, which is known throughout China today. As National China Desk Leader, Tim worked extremely closely with many state-owned and private Chinese investors and companies to facilitate Chinese foreign investment in Australian mining and other assets.
Length of service:	Director since 24 July 2017
Other current directorships:	Chairman of Angel Seafood Holdings Limited (ASX: AS1) and Non-Executive Director of Costa Group Holdings Ltd (ASX: CGC).
Former directorships (last 3 years):	Chairman of Kopore Metals Limited (ASX: KMT)
Special responsibilities:	Member of the Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	1,048,844
Interests in options:	2,750,000 (Unlisted options)
Contractual rights to shares:	None

Name:	Danielle Lee
Title:	Non-Executive Director (Independent Director)
Qualifications:	Bachelor of Economics from the University of Western Australia, Bachelor of Laws from the University of Western Australia (first class honours)
Experience and expertise:	Danielle is an experienced corporate lawyer more than 23 years' experience shared between private law firms and the Australian Securities Exchange. She has a broad range of skills and legal experience in the areas of corporate advisory, governance and equity capital markets. She has advised a range of Australian public and private companies in a range of industries on corporate transactions including capital raisings, ASX listings, business and share acquisitions, shareholder agreements and joint venture arrangements.
Length of service:	Director since 16 September 2015
Other current directorships:	Non-Executive Director of Ocean Grown Abalone Ltd (ASX: OGA)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	627,922
Interests in options:	150,000 (Unlisted options)
Contractual rights to shares:	None

Name:	Andrew Harris
Title:	Non-Executive Director (Independent Director)
Qualifications:	PhD in engineering from the University of Cambridge and undergraduate degrees in engineering and science from the University of Queensland. A Fellow of the Institution of Chemical Engineers and Engineers Australia and a member of the Australian Institute of Company Directors
Experience and expertise:	Dr Andrew Harris is highly experienced in renewable energy, sustainability, biomimicry, nanotechnology, process engineering and the hydrogen energy economy. He is the lead Director of the Engineering Excellence Group within Laing O'Rourke's internal engineering and innovation team. Laing O'Rourke is one of the world's largest privately owned engineering and construction companies, with annual revenues of $8 billion, 15,000 staff and operations in Europe, North America, the Middle East, Asia and Australia. The Engineering Excellence Group was established to be a global centre of excellence, to transform Laing O'Rourke's capabilities through strategic innovation, research and development, and enhanced technical performance. Dr Harris is also Professor of Chemical and Bimolecular Engineering at the University of Sydney and Co-Director of the Laboratory for Sustainable Technology, the state of art laboratory where Hazer has established its core development activities for the Hazer Process. Dr Harris was the youngest ever professor of Chemical Engineering appointed at the University of Sydney. Dr Harris was also previously the Chief Technology Officer of Zenogen Pty Ltd, a Sydney-based hydrogen production technology company, and was a co-founder of Oak Nano, a University of Sydney start-up commercialising novel carbon nanotube technology. Oak Nano designed and built the largest carbon nanotube production facility in the southern hemisphere.
Length of service:	Director since 21 June 2016
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Remuneration and Nomination Committee and Member of the Audit and Risk Committee
Interests in shares:	127,922
Interests in options:	None
Contractual rights to shares:	None

Name:	Geoff Ward
Title:	Managing Director and Chief Executive Officer
Qualifications:	Master of Business Administration and Bachelor of Engineering
Experience and expertise:	Geoff has over 20 years' experience in the oil and gas, resources and renewable energy sectors, Geoff's experience covers strategy, commercial management, financial management, mergers and acquisitions, capital project development, and operations. In addition to his executive experience, Geoff has served as a Director of a leading corporate advisory firm, Azure Capital. Geoff's advisory experience covers mergers and acquisitions, joint ventures, strategic reviews and turnarounds, debt and equity capital raisings. Geoff has advised Boards and led transactions in engineering services, clean technology and resources sectors. Geoff holds a Master of Business Administration from University of Western Australia, receiving a Director's Letter of Commendation, and Bachelor of Engineering (Chemical) (Honours) from the University of Melbourne.
Length of service:	Managing Director since 30 April 2019, and Chief Executive Officer since 8 October 2018
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Managing Director
Interests in shares:	677,922
Interests in options:	6,000,000 (Unlisted options)
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Emma Waldon has held the role of Company Secretary since 10 August 2015. Emma has diverse global corporate advisory, capital markets and corporate governance experience, having held roles in accounting and debt and equity capital markets in Australia and the United Kingdom.

Emma Waldon qualified as a Chartered Accountant with Ernst & Young in Perth, worked as an Equities Analyst with Euroz Securities and spent nine years in London with Bank of Scotland and Lloyds Bank originating and re-structuring debt finance for private equity leveraged buy-outs of businesses across Europe. On returning to Perth in 2012, Emma was a Director within Deloitte's financial advisory services division. Emma is also currently Company Secretary of EMvision Medical Devices Limited (ASX: EMV) and a number of unlisted companies.

Emma Waldon completed a Bachelor of Commerce at UWA, is a member of the Institute of Chartered Accountants of Australia and New Zealand and a Certificated Member of the Governance Institute of Australia.

Meetings of Directors
The number of meetings of Directors (including meetings of committees of directors) held during the year ended 30 June 2020, and the number of meetings attended by each Director were:

	Full board		Audit & Risk Committee		Remuneration & Nomination Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Tim Goldsmith	11	11	3	3	1	1
Danielle Lee	11	11	3	3	1	1
Andrew Harris	11	11	3	3	1	1
Geoff Ward	11	11	-	-	-	-
Mike Grey	5	9	-	-	-	-

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Company depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel and is based on the following factors

Alignment to shareholders' interests:
- focuses on sustained growth in shareholder wealth, including growth in the share price, as well as focusing the executive on key non-financial drivers of value
- attracts and retains high-calibre executives

Alignment to program participants' interests:
- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Directors and executive remunerations are separate.

Non-Executive Directors' remuneration
Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

Non-Executive Directors do not receive any retirement benefits, other than statutory superannuation.

ASX listing rules require the aggregate Non-Executive Director's remuneration be determined periodically by a general meeting. Aggregate fixed remuneration for all Non-Executive Directors as determined by the Board is not to exceed $300,000 per annum. Directors' fees cover all main board and committee activities.

The level of Non-Executive Director fixed fees as at the reporting date are as follows:

Tim Goldsmith	$60,000 plus statutory superannuation per annum
Danielle Lee	$40,000 plus statutory superannuation per annum
Andrew Harris	$40,000 plus statutory superannuation per annum

Non-Executive Directors may also receive performance-related compensation via options following receipt of shareholder approval. The issue of share-based payments as part of Non-Executive Director remuneration ensures that Director remuneration is competitive with market standards and provides an incentive to pursue longer-term success for the Company. It also reduces the demand on the cash resources of the Company and assists in ensuring the continuity of service of Directors who have extensive knowledge of the Company, its business activities and assets and the industry in which it operates. Details of share-based compensation is contained in this report.

Executive remuneration
The Company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example, motor vehicle benefits) where it does not create any additional costs to the Company and provides additional value to the executive.

Performance-based short-term incentives ('STI') may be provided to executives to align the targets of the business with the targets of those executives responsible for meeting those targets.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares and options may be awarded to executives based on long-term incentive measures, including increasing shareholder value. Share-based LTIs issued to the Managing Director are subject to shareholder approval.

Use of remuneration consultants
During the financial year ended 30 June 2020, the Company did not engage the services of an independent remuneration consultant to review its remuneration for Directors, key management personnel and other senior executives.

Voting and comments made at the company's Annual General Meeting ('AGM')
The Company received 94.11% "for" votes on its Remuneration Report for the year ended 30 June 2019.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Company are set out in the following tables.

The key management personnel of the company consisted of the following directors of Hazer Group Limited:

- Tim Goldsmith – Non-Executive Chairman
- Danielle Lee - Non- Executive Director
- Andrew Harris – Non- Executive Director
- Mike Grey – Non-Executive Director – resigned 11 May 2020
- Geoff Ward – Executive Director

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2020	**Cash salary fees $**	**Termination benefits $**	**Bonus payments $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:							
Tim Goldsmith	60,000	-	-	5,700	-	-	65,700
Danielle Lee	40,000	-	-	3,800	-	-	43,800
Andrew Harris	40,000	-	-	3,800	-	-	43,800
Mike Grey	-	-	-	-	-	-	-
Executive Directors:							
Geoff Ward	300,000	-	59,361	34,139	-	256,839[1]	650,339
	440,000	-	59,361	47,439	-	256,839	803,639

[1] Relates to options issued in a prior period vesting over multiple periods

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2019	**Cash salary fees $**	**Termination benefits $**	**Bonus payments $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:							
Tim Goldsmith	60,000	-	-	5,700	-	140,647	206,347
Danielle Lee	40,000	-	-	3,800	-	-	43,800
Andrew Harris	40,000	-	-	3,800	-	-	43,800
Mike Grey	-	-	-	-	-	-	-
Executive Directors:							
Geoff Ward[1]	219,565	-	-	20,859	-	491,786	732,210
	359,565	-	-	34,159	-	632,433	1,026,157

[1] Represents remuneration from 8 October 2018 to 30 June 2019

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2020	Fixed remuneration 2019	At risk - STI 2020	At risk - STI 2019	At risk - LTI 2020	At risk - LTI 2019
Non-Executive Directors:						
Tim Goldsmith	100%	32%	-	-	-	68%
Danielle Lee	100%	100%	-	-	-	-
Andrew Harris	100%	100%	-	-	-	-
Mike Grey	-	-	-	-	-	-
Executive Directors:						
Geoff Ward	51%	33%	10%	-	39%	67%

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Geoff Ward
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	8 October 2018
Term of agreement:	Open
Details:	Base salary of $300,000 plus statutory superannuation, to be reviewed annually by the Nomination and Remuneration Committee. For period ending 30 December 2019 – a cash bonus of up to $100,000 if KPIs set by the Board are met. Achievement of set KPIs is at the discretion of the Nomination and Remuneration Committee. Three-month termination notice by either party. Twelve-month non-solicitation clause after termination.

Share-based compensation

Options
There were no options over ordinary shares issued during this financial year to Directors and other key management personnel.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Number of options granted during the year 2020	Number of options granted during the year 2019	Number of options vested during the year 2020	Number of options vested during the year 2019
Tim Goldsmith	-	-	-	2,750,000
Danielle Lee	-	-	-	-
Andrew Harris	-	-	-	-
Mike Grey	-	-	-	-
Geoff Ward	-	6,000,000	2,000,000	2,000,000
Total	-	6,000,000	2,000,000	4,750,000

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Tim Goldsmith	-	-	-	-
Danielle Lee	-	-	-	-
Andrew Harris	-	-	-	-
Mike Grey	-	-	-	-
Geoff Ward	-	-	-	39%
	-	-	-	

Additional information
The earnings of the company for the five years to 30 June 2020 are summarised below:

	2020 $	2019 $	2018 $	2017 $	2016 $
Revenues from ordinary activities	1,436,617	1,669,368	798,877	337,785	83,552
Loss after income tax	3,225,289	4,396,377	11,009,331	3,877,507	1,844,358
Net Assets	18,013,551	5,834,306	6,884,346	8,880,690	4,420,770

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end ($)	0.37	0.26	0.25	0.49	0.45
Total dividends declared (cents per share)	0.00	0.00	0.00	0.00	0.00
Basic loss per share (cents per share)	2.99	4.71	13.37	5.74	3.57

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each Director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other	Balance at the end of the year
Ordinary shares					
Tim Goldsmith	970,922	-	77,922[1]	-	1,048,844
Danielle Lee	550,000	-	77,922[1]	-	627,922
Andrew Harris	50,000	-	77,922[1]	-	127,922
Mike Grey	-	-	-	-	-[2]
Geoff Ward	600,000	-	77,922[1]	-	677,922
	2,170,922	-	311,688	-	2,482,610

[1] Participation in Share Purchase Plan
[2] Shares held at resignation date 11 May 2020

Option holding
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Additions	Expired Forfeited/ exercised	Balance at the end of the year
Options over ordinary shares					
Tim Goldsmith	3,750,000	-	-	(1,000,000)[1]	2,750,000
Danielle Lee	550,000	-	-	(400,000)[2]	150,000
Andrew Harris	575,000	-		(575,000)[1]	-
Mike Grey	-	-	-	-	-[3]
Geoff Ward	6,000,000	-	-	-	6,000,000
	10,875,000	-	-	(1,975,000)	8,900,000

[1] Series G Options expired during the year
[2] Series D Options expired during the year
[3] Options held at resignation date 11 May 2020

Other transactions with key management personnel and their related parties

There were no other transactions with related parties during the year.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Hazer Group Limited under option at the date of this report are as follows:

Option series	Grant date	Expiry date	Exercise price	Number under option
Series J	06/04/2017	31/12/2020	$0.95	750,000
Series K	06/04/2017	31/12/2021	$1.20	1,000,000
Series J	04/12/2017	31/12/2020	$0.95	3,000,000
Series K	04/12/2017	31/12/2021	$1.20	2,500,000
Series B	29/12/2017	31/12/2020	$0.40	8,875,000
Series M	29/08/2018	30/06/2023	$0.70	500,000
Series L	14/11/2018	30/06/2022	$0.50	2,000,000
Series M	14/11/2018	30/06/2023	$0.70	2,000,000
Series N	14/11/2018	30/06/2024	$0.90	2,000,000
Series M	18/10/2019	30/06/2023	$0.70	1,550,000
Series N	18/10/2019	30/06/2024	$0.90	1,450,000
				25,625,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Hazer Group Limited were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of options granted:

Option series	Grant date	Expiry date	Exercise price	Number of shares issued
Series D	16/09/2015	31/12/2019	$0.40	900,000
Series B	29/12/2017	31/12/2020	$0.40	2,625,000

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor
RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Tim Goldsmith
Chairman

24 August 2020
Melbourne

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Hazer Group Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 24 August 2020

TUTU PHONG
Partner

CONTENTS

Contents

General information

The financial statements cover Hazer Group Limited as a single entity. The financial statements are presented in Australian dollars, which is Hazer Group Limited's functional and presentation currency.

Hazer Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 9, 99 St Georges Terrace Perth WA 6000	Level 9, 99 St Georges Terrace Perth WA 6000

A description of the nature of the Company's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2020. The Directors have the power to amend and reissue the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2020 $	2019 $
Revenue			
Interest received		46,666	30,127
R&D rebate		1,339,951	1,639,241
Other income		50,000	-
Expenses			
Administration expenses		(833,580)	(1,079,647)
Consulting and research expenses		(876,789)	(1,202,200)
Share-based payments	24	(672,072)	(914,950)
Finance costs		(8,914)	(2,364)
Employee benefits expense		(2,225,498)	(2,072,592)
Depreciation expense		(45,053)	(754)
Amortisation expense		-	(793,238)
Loss before income tax expense		(3,225,289)	(4,396,377)
Income tax expense	13	-	-
Loss after income tax expense for the year		(3,225,289)	(4,396,377)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(3,225,289)	(4,396,377)

	Note	Cents	Cents
Basic loss per share	25	2.99	4.71
Diluted loss per share	25	2.99	4.71

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	5	17,236,257	6,003,068
Other current assets	6	145,290	65,761
Total current assets		17,381,547	6,068,829
Non-current assets			
Commercial demonstration plant	7	1,051,871	-
Plant and equipment	8	27,765	41,965
Right-of-use asset	9	41,136	-
Total non-current assets		1,120,772	41,965
Total assets		18,502,319	6,110,794
Liabilities			
Current liabilities			
Trade and other payables	10	311,874	187,925
Provisions	11	131,264	88,563
Lease liabilities	12	33,345	-
Total current liabilities		476,483	276,488
Non-current liabilities			
Lease liabilities	14	12,285	-
Total non-current liabilities		12,285	
Total liabilities		488,768	276,488
Net assets		18,013,551	5,834,306
Equity			
Issued capital	15	34,128,809	18,541,771
Reserves	16	7,185,964	9,224,488
Accumulated losses	17	(23,301,222)	(21,931,953)
Total equity		18,013,551	5,834,306

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

2019	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	16,030,724	8,752,066	(17,898,444)	6,884,346
Loss after income tax expense for the year	-	-	(4,396,377)	(4,396,377)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(4,396,377)	(4,396,377)
Transactions with owners in their capacity as owners:				
Shares issued pursuant to the exercise of options	2,511,047	(79,660)	-	2,431,387
Share-based payments	-	914,950	-	914,950
Transfer expired options to accumulated losses	-	(362,868)	362,868	-
Balance at 30 June 2019	18,541,771	9,224,488	(21,931,953)	5,834,306

2020	Issued capital $	Reserves $	Accumulated Losses $	Total equity $
Balance at 1 July 2019	18,541,771	9,224,488	(21,931,953)	5,834,306
Loss after income tax expense for the year	-	-	(3,225,289)	(3,225,289)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(3,225,289)	(3,225,289)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	15,587,038	-	-	15,587,038
Shares issued pursuant to the exercise of options	-	(854,576)	-	(854,576)
Share-based payments	-	672,072		672,072
Transfer expired options to accumulated losses	-	(1,856,020)	1,856,020	-
Balance at 30 June 2020	34,128,809	7,185,964	(23,301,222)	18,013,551

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

	Note	2020 $	2019 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(3,928,716)	(4,237,073)
		(3,928,716)	(4,237,073)
Interest received		46,666	30,127
Interest and other finance costs paid		(1,409)	(2,364)
Research and development tax rebate received		1,339,951	1,639,241
Other government rebates		50,000	-
Net cash used in operating activities	23	(2,493,508)	(2,570,609)
Cash flows from investing activities			
Payments for commercial demonstration plant		(971,900)	-
Payments for property, plant and equipment		-	(42,719)
Net cash used in investing activities		(971,900)	(42,719)
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs		13,322,462	-
Proceeds from exercise of share options, net of transaction costs		1,410,000	2,431,387
Repayment of lease liability		(33,865)	-
Net cash from financing activities		14,698,597	2,431,387
Net increase in cash and cash equivalents		11,233,189	(181,941)
Cash and cash equivalents at the beginning of the financial year		6,003,068	6,185,009
Cash and cash equivalents at the end of the financial year	5	17,236,257	6,003,068

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Company.

AASB 16 Leases
The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	83,607
Operating lease commitments discounted based on the weighted average incremental borrowing rate of 13% (AASB 16)	(11,619)
Right-of-use assets (AASB 16)	71,988
Lease liabilities - current (AASB 16)	(27,660)
Lease liabilities - non-current (AASB 16)	(44,328)
Reduction in opening accumulated losses as at 1 July 2019	-

When adopting AASB 16 from 1 July 2019, the company has applied the following practical expedients:
- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for for-profit-oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 1. Significant accounting policies (Cont'd)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Hazer Group Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Significant accounting policies (Cont'd)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (Cont'd)

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over the estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 1. Significant accounting policies (Cont'd)

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Hazer Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Share-based payments
The Company provides benefits in the form of share-based payments, whereby persons render services in exchange for shares or rights over shares ('equity settled transactions'). The Company does not provide cash settled share-based payments.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using an option-pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 1. Significant accounting policies (Cont'd)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the period in which the service conditions are fulfilled, ending on the date on which the relevant persons become fully entitled to the award (the 'vesting period'). The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Research and development
Research costs are expensed in the period in which they are incurred.

Capitalised Development Cost for Commercial Demonstration Plant
Costs directly attributable to create, produce and prepare the commercial demonstration plant to be capable of operating in the manner intended by management are recognised as an asset when the following criteria are met:

- It is technically feasible to complete the commercial demonstration plant so that it will be available for use;
- Management intends to complete the commercial demonstration plant and use it;
- There is an ability to use the commercial demonstration plant;
- It can be demonstrated how the commercial demonstration plant will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the commercial demonstration plant; and
- The expenditure attributable to the commercial demonstration plant during its development can be reliably measured.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset will begin when the development is complete and the asset is available for use. It will be amortised over the period of expected future benefit. Amortisation will be recorded in profit and loss.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 1. Significant accounting policies (Cont'd)

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2020. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Company's financial statements.

Note 2: Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 3. Operating segments

The Company has considered the requirements of AASB8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision-makers) in assessing performance and determining the allocation of resources.

The Company operates as a single segment being research and development of novel graphite-and-hydrogen-production technology. There is no difference between the audited financial report and the internal reports generated for review. The company is domiciled in Australia and is currently in the development phase and hence has not begun to generate revenue from operations. All the assets are located in Australia.

Note 4. Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and short term deposits.

The Company manages its exposure to key financial risks, including interest rate and liquidity risk in accordance with its financial risk management policy. The objective of the policy is to support the delivery of its financial targets whilst protecting future financial security.

The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

Interest rate risk
At reporting date, the company had $17,236,257 (2019: $6,003,068) in cash and cash equivalents exposed to interest rate risk.

The company's exposure to market interest rates relates primarily to cash and short-term deposits.

At reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net loss and equity would have been affected as follows:

	Net loss Higher / (lower)		**Equity Higher / (lower)**	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
+1% (100 basis points)	172,363	60,030	172,363	60,030
-1% (100 basis points)	(172,363)	(60,030)	(172,363)	(60,030)

The movements are due to higher / lower interest revenue from cash balances.

Liquidity Risk

Liquidity risk is managed through the company's objective to maintain adequate funding to meet its needs, currently represented by cash and short term deposits sufficient to meet the current cash requirements.

Note 4. Financial risk management objectives and policies (Cont'd)

Capital management

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the entity may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2020 and 30 June 2019.

The company monitors capital with reference to the net debt position. The company's current policy is to keep the net debt position negative, such that cash and cash equivalents exceeds debt.

Note 5. Cash and cash equivalents

	2020 $	2019 $
Cash at bank	17,151,350	2,898,161
Cash on deposit	84,907	3,104,907
	17,236,257	6,003,068

Note 6. Other current assets

	2020 $	2019 $
Prepayments	48,258	8,102
GST refundable	93,428	53,855
Other receivables	-	200
Deposit	3,604	3,604
	145,290	65,761

Note 7. Commercial Demonstration Plant

	2020 $	2019 $
Commercial demonstration plant – cost	1,051,871	-
Commercial demonstration plant – accumulated amortisation	-	-
	1,051,871	-

The commercial demonstration plant design is a key stage in the development and scale up of the Hazer process. Development costs directly attributable to create, produce and prepare the commercial demonstration plant for the purpose intended by management is recognised as a non-current asset. The commercial demonstration plant has not been amortised as it is not yet ready for use.

Note 8. Plant and equipment

	2020 $	2019 $
Site equipment	27,765	41,965
	27,765	41,965

Note 9. Right-of-use asset

	2020 $	2019 $
Office space – right-of-use	71,988	-
Office space – accumulated deprecation	(30,852)	-
	41,136	-

Note 10. Trade and other payables

	2020 $	2019 $
Trade payables	135,071	127,603
Other payables	176,803	60,322
	311,874	187,925

Note 11. Provisions

	2020 $	2019 $
Employee benefits	131,264	88,563
	131,264	88,563

Note 12. Lease liabilities

	2020 $	2019 $
Current lease liability	33,345	-
	33,345	-

NOTES TO THE FINANCIAL STATEMENTS

Note 13. Income Tax

The prima facie tax receivable on loss before income tax is reconciled to the income tax expense as follows:

	2020 $	2019 $
Prima facie benefit on operating loss at 27.5% (2019: 27.5%)	886,954	1,209,004
Tax losses not brought to account	(886,954)	(1,209,004)
Income tax benefit attributable to operating loss	-	-

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately $6,600,339 (2019: $5,713,385) and has not been brought to account at reporting date because the Directors do not believe it is appropriate to regard realisation of the deferred tax asset as probable at this point in time. This benefit will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and research and development expenditure to be realised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss and research and development expenditure.

Note 14. Lease liabilities

	2020 $	2019 $
Non-current lease liability	12,285	-
	12,285	-

Note 15. Equity - issued capital

	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares	136,259,802	97,260,856	34,128,809	18,541,771

Movement in ordinary shares

	Date	No of shares	Issue price	$
Opening balance 1 July 2018		88,302,245		15,884,073
Issue of shares on exercise of Series C options	26 September 2018	550,000	$0.251	137,500
Issue of shares on exercise of Series C options	23 October 2018	400,000	$0.25	100,000
Issue of shares on the exercise of listed options	23 October 2018	138,333	$0.30	41,500
Issue of shares on exercise of Series C options	16 November 2018	1,141,428	$0.25	285,357
Issue of shares on the exercise of listed options	16 November 2018	150,000	$0.30	45,000
Issue of shares on the exercise of listed options	19 November 2018	500,000	$0.30	150,000
Issue of shares on exercise of Series C options	3 December 2018	520,000	$0.25	130,000
Issue of shares on exercise of Series C options	17 December 2018	1,710,000	$0.25	427,500
Issue of shares on exercise of Series C options	31 December 2018	400,000	$0.25	100,000
Transfer Series C options from options reserve	31 December 2018	-	-	79,660
Transfer from listed options	31 December 2018	-	$0.01	7,883
Transfer from listed options	31 December 2018	-	$0.005	104,279
Issue of shares on exercise of listed options	7 January 2019	3,448,850	$0.30	1,034,405
Transfer from listed options	7 January 2019	-	$0.01	34,489
Share issue transaction costs, net of tax	30 June 2019	-	-	(19,875)
Closing balance 30 June 2019		97,260,856		18,541,771
Opening balance 1 July 2019		97,260,856		18,541,771
Issue of shares	8 November 2019	6,493,505	$0.385	2,500,000
Issue of shares	5 December 2010	8,980,441	$0.385	3,457,507
Issue of shares on exercise of Series D options	31 December 2019	900,000	$0.40	360,000
Transfer Series D options from options reserve	31 December 2019	-	-	16,269
Issue of shares	18 June 2020	20,000,000	$0.42	8,400,000
Issue of shares on exercise of Series B options	18 June 2020	2,625,000	$0.40	1,050,000
Transfer Series B options from options reserve	18 June 2020	-	-	838,306
Share issue transaction costs, net of tax	30 June 2020	-	-	(1,035,044)
Closing balance 30 June 2020		136,259,802		34,128,809

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back scheme in place.

Capital risk management
The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the previous financial reporting year.

Note 16. Equity - reserves

	2019 $	2018 $
Option reserve	7,185,964	9,224,488
	7,185,964	9,224,488

Option reserve
The option reserve records items recognised as expenses on the valuation of share options.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	No of Options	Value $
Opening balance 1 July 2018	43,416,667	8,752,066
Options issued during a prior year vesting over multiple periods	-	358,750
Options issued during the current year vesting over multiple periods	6,500,000	556,200
Options exercised during the period	(4,721,428)	(79,660)
Options expired during the period - series C	(528,572)	(8,918)
Options expired during the period - series G	(2,250,000)	-
Options expired during the period - series F	(1,150,000)	(353,950)
Closing balance 30 June 2018	41,266,667	9,224,488
Opening balance 1 July 2019	41,266,667	9,224,488
Options issued during a prior year vesting over multiple periods	-	256,839
Options issued during the current year vesting over multiple periods	3,000,000	415,233
Options exercised during the period	(3,525,000)	(854,575)
Options expired during the period - series D	(3,950,000)	(71,403)
Options expired during the period - series H	(4,166,667)	-
Options expired during the period - series G	(7,000,000)	(1,784,618)
Closing balance 30 June 2020	25,625,000	7,185,964

Note 17. Equity – accumulated losses

	2020 $	2019 $
Accumulated losses at the beginning of the financial year	21,931,953	17,898,444
Loss after income tax expense for the year	3,225,289	4,396,377
Transfer expired options to accumulated losses	(1,856,020)	(362,868)
Accumulated losses at the end of the financial year	23,301,222	21,931,953

Note 18. Key management personnel disclosures

Compensation
The aggregate compensation made to key management personnel of the Company is set out below:

	2020 $	2019 $
Short-term employee benefits	505,000	359,565
Post-employment benefits	41,800	34,159
Long-term benefits	-	-
Share-based payments	256,839	632,433
	803,639	1,026,157

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company, its network firms and unrelated firms:

	2020 $	2019 $
Audit services		
Audit or review of the financial statements	41,800	41,000
	41,800	41,000

Note 20. Contingent assets and liabilities

The Company does not have any contingent assets or contingent liabilities at 30 June 2020 (2019: Nil).

Note 21. Commitments

Committed at the reporting date but not recognised as liabilities:

	2020 $	2019 $
Research collaboration agreement:		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	317,851	145,444
Later than 1 year but not later than 5 years	251,950	-
	569,801	145,444

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 18 and the remuneration report in the Directors' Report.

Transactions with related parties

There were no other transactions with related parties.

Receivable from and payable to related parties

There were no amounts receivable from related parties at the current or previous reporting period. A bonus of $32,500 was payable to Geoff Ward (Managing Director and Chief Executive Officer) at 30 June 2020. No amounts were payable to related parties at 30 June 2019.

Note 23. Reconciliation of profit after income tax to net cash from operating activities

	2020 $	2019 $
Loss after income tax expense for the year	(3,225,289)	(4,396,377)
Adjustments for:		
Share-based payments	672,072	914,950
Depreciation	45,053	793,238
Finance costs	7,506	754
Change in operating assets and liabilities:		
- Other current assets	(79,529)	70,952
- trade and other payables	43,978	22,463
- employee benefits	42,701	23,411
Net cash used in operating activities	(2,493,508)	(2,570,609)

Note 24. Share based payments

For the year ended 30 June 2020:
Set out below are summaries of the movements of options granted to key management personnel, employees and contractors of the Company:

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised/ Quoted as Listed options	Expired/ forfeited/ other	Balance at the end of the year
16/09/2015	31/12/2019	$0.40	4,850,000	-	(900,000)	(3,950,000)	-
01/07/2016	30/06/2020	$0.75	575,000	-	-	(575,000)	-
22/08/2016	30/06/2020	$0.75	100,000	-	-	(100,000)	-
31/10/2016	30/06/2020	$0.75	600,000	-	-	(600,000)	-
15/11/2016	30/06/2020	$0.75	575,000	-	-	(575,000)	-
20/03/2017	30/06/2020	$0.75	350,000	-	-	(350,000)	-
06/04/2017	31/12/2020	$0.95	750,000	-	-	-	750,000
06/04/2017	31/12/2021	$1.20	1,000,000	-	-	-	1,000,000
13/06/2017	30/06/2020	$0.75	1,300,000	-	-	(1,300,000)	-
06/09/2017	30/06/2020	$0.75	300,000	-	-	(300,000)	-
04/12/2017	30/06/2020	$0.75	3,200,000	-	-	(3,200,000)	-
04/12/2017	31/12/2020	$0.95	3,000,000	-	-	-	3,000,000
04/12/2017	31/12/2021	$1.20	2,500,000	-	-	-	2,500,000
29/12/2017	31/12/2020	$0.40	11,500,000	-	(2,625,000)	-	8,875,000
29/08/2018	30/06/2023	$0.70	500,000	-	-	-	500,000
14/11/2018	30/06/2022	$0.50	2,000,000	-	-	-	2,000,000
14/11/2018	30/06/2023	$0.70	2,000,000	-	-	-	2,000,000
14/11/2018	30/06/2024	$0.90	2,000,000	-	-	-	2,000,000
18/10/2019	30/06/2023	$0.70	-	1,550,000	-	-	1,550,000
18/10/2019	30/06/2024	$0.90	-	1,450,000	-	-	1,450,000
			37,100,000	3,000,000	(3,525,000)	(10,950,000)	25,625,000

On 20 March 2017 Mineral Resources Limited (ASX: MIN) were issued 4,166,667 unlisted options as part of a placement for 8,333,333 fully paid ordinary shares. The free attaching options issued to Mineral Resources Limited expired on 31 December 2019.

Note 24. Share based payments (Cont'd)

For the year ended 30 June 2019:
Set out below are summaries of the movements of options granted to key management personnel, employees and contractors of the Company:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised/ Quoted as Listed options	Expired/ forfeited/ other	Balance at the end of the year
16/09/2015	31/12/2018	$0.25	5,250,000	-	(4,721,428)	(528,572)	-
16/09/2015	31/12/2019	$0.40	4,850,000	-	-	-	4,850,000
01/07/2016	30/06/2019	$0.55	575,000	-	-	(575,000)	-
01/07/2016	30/06/2020	$0.75	575,000	-	-	-	575,000
22/08/2016	30/06/2020	$0.75	100,000	-	-	-	100,000
31/10/2016	30/06/2020	$0.75	600,000	-	-	-	600,000
15/11/2016	30/06/2019	$0.55	575,000	-	-	(575,000)	-
15/11/2016	30/06/2020	$0.75	575,000	-	-	-	575,000
20/03/2017	30/06/2020	$0.75	350,000	-	-	-	350,000
06/04/2017	31/12/2020	$0.95	750,000	-	-	-	750,000
06/04/2017	31/12/2021	$1.20	1,000,000	-	-	-	1,000,000
13/06/2017	30/06/2020	$0.75	1,300,000	-	-	-	1,300,000
06/09/2017	30/06/2020	$0.75	300,000	-	-	-	300,000
04/12/2017	30/06/2020	$0.75	5,450,000	-	-	(2,250,000)	3,200,000
04/12/2017	31/12/2020	$0.95	3,000,000	-	-	-	3,000,000
04/12/2017	31/12/2021	$1.20	2,500,000	-	-	-	2,500,000
29/12/2017	31/12/2020	$0.40	11,500,000	-	-	-	11,500,000
29/08/2018	30/06/2023	$0.70	-	500,000	-	-	500,000
14/11/2018	30/06/2022	$0.50	-	2,000,000	-	-	2,000,000
14/11/2018	30/06/2023	$0.70	-	2,000,000	-	-	2,000,000
14/11/2018	30/06/2024	$0.90	-	2,000,000	-	-	2,000,000
			39,250,000	6,500,000	(4,721,428)	(3,928,572)	37,100,000

On 20 March 2017 Mineral Resources Limited (ASX: MIN) were issued 4,166,667 unlisted options as part of a placement for 8,333,333 fully paid ordinary shares. The free attaching options issued to Mineral Resources Limited have not been included in the table above.

Note 24. Share based payments (Cont'd)

Set out below are the options exercisable at the end of the financial year:

Option series	Grant date	Expiry date	2020 Number	2019 Number
Series D	16/09/2015	31/12/2019	-	4,850,000
Series G	22/08/2016	30/06/2020	-	100,000
Series G	31/10/2016	30/06/2020	-	600,000
Series H	20/03/2017	31/12/2019	-	4,166,667
Series G	20/03/2017	30/06/2020	-	350,000
Series G	01/06/2017	30/06/2020	-	575,000
Series G	15/11/2016	30/06/2020	-	575,000
Series J	06/04/2017	31/12/2020	750,000	750,000
Series K	06/04/2017	31/12/2021	1,000,000	1,000,000
Series G	13/06/2017	30/06/2020	-	1,300,000
Series G	06/09/2017	30/06/2020	-	300,000
Series G	04/12/2017	30/06/2020	-	3,200,000
Series J	04/12/2017	31/12/2020	3,000,000	3,000,000
Series K	04/12/2017	31/12/2021	2,500,000	2,500,000
Series B	29/12/2017	31/12/2020	8,875,000	11,500,000
Series M	29/08/2018	30/06/2023	500,000	500,000
Series L	14/11/2018	30/06/2022	2,000,000	2,000,000
Series M	14/11/2018	30/06/2023	2,000,000	2,000,000
Series N	14/11/2018	30/06/2024	2,000,000[1]	2,000,000
Series M	18/10/2019	30/06/2023	1,550,000[2]	-
Series N	18/10/2019	30/06/2024	1,450,000[2]	-
			25,625,000	41,266,667

[1] Options have not vested at reporting date
[2] 2,000,000 options of the total 3,000,000 options issued have note vested at reporting date

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.62 years (2019: 1.68)

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/10/2019	30/06/2023	$0.49	$0.70	70%	0.00%	0.76%	0.20
18/10/2019	30/06/2024	$0.49	$0.90	70%	0.00%	0.83%	0.20

Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the year were as follows:

	2020 $	**2019 $**
Options issued to KMP	256,839	632,433
Options issued to employees/consultants	415,233	282,517
	672,072	914,950

Note 25. Earnings per share

	2020 $	2019 $
Loss after income tax	3,225,289	4,396,377
Loss after income tax attributable to the owners of Hazer Group Limited	3,225,289	4,396,377

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	107,723,166	93,265,987

	Cents	Cents
Basic loss per share	2.99	4.71
Diluted loss per share	2.99	4.71

Note 26. Events after the reporting period

- On 31 July 2020, the Company approved final investment decision to proceed with the Hazer Commercial Demonstration Plant (CDP). The CDP is a 100-ton-per-annum low-emission hydrogen production facility that will be the first larger-scale, fully integrated deployment of the Hazer Process and will be located at Water Corporation's Woodman Point Wastewater Treatment Plant at Munster in Western Australia. The project has a $17 million capex budget. The CDP is expected to commence pre-commissioning activities in Q2 2021 and achieve practical completion in mid calendar year 2021. The Project is intended to operate for up to three years or until the end of 2023, depending on the future operational plans of the Woodman Point facility.
- In March 2020, Hazer entered into a binding Funding Agreement with the Australian Renewable Energy Agency (ARENA) for a grant of up to $9.41 million to support the construction and operation of the CDP. On 31 July 2020, the Company was able to confirm that all conditions precedent to this agreement have been, or are capable of being met and the Company will be able to draw down the grant upon achievement of the agreed milestones, submission of required reports, and verification of submissions by ARENA.
- On 31 July 2020, the Company executed binding agreements with Mitchell Asset Management (MAM) in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund (ABN 88 447 520 706) for a $6 million senior secured loan facility to support the construction of the CDP. The key purpose of the loan is to fund the R&D activities associated with the construction of the CDP, however, the loan may also be utilised to improve the short term liquidity of the Company and cover the lending costs. The loan, which will be called down in 3 tranches of $2 million each, has a term of up to 5 years with repayments to be made from future R&D Tax Incentive payments received by Hazer. MAM will hold security over all future R&D Tax Incentive rebates received by the Hazer, as well as a registered security interest over the present and future assets of Hazer, under a general security deed to be granted by Hazer in favour of MAM. The drawdown of the first tranche is expected to be made in Q3 calendar year 2020.
- The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no impact on the Company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Tim Goldsmith

Tim Goldsmith
Chairman

24 August 2020
Melbourne

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HAZER GROUP LIMITED

Opinion

We have audited the financial report of Hazer Group Limited (the Company) which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Share based payments Refer to Note 24 in the financial statements	
During the year, the Company issued 3,000,000 options as part of an employee incentive plan. Management has used an option valuation model to value these options issued during the year. We determined this to be a key audit matter due to the significant judgements involved in assessing the fair value of the options issued during the year.	Our audit procedures included: ▪ Reviewing the key terms and conditions of the options issued; ▪ Obtaining the valuation models prepared by management and assessing whether the models were appropriate for valuing the options granted during the year; ▪ Challenging the reasonableness of key assumptions used by management to value the options; and ▪ Reviewing the relevant disclosures in the financial statements to ensure compliance with Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Hazer Group Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 24 August 2020

SHAREHOLDER INFORMATION

ASX Additional Information

The Company's ordinary shares are quoted as 'HZR' on ASX.

The shareholder information set out below was applicable as at 21 August 2020.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of ordinary shares	Number of holders of ordinary shares
100,001 and over	79,945,147	188
10,001 to 100,000	45,702,632	1,394
5,001 to 10,000	5,999,472	751
1,001 to 5,000	4,502,961	1,712
1 to 1,000	109,590	239
	136,259,802	4,284
Holding less than a marketable parcel	335,953	432

Equity security holders
Twenty largest quoted equity security holders
The names of the 20 largest security holders of each class of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MINERAL RESOURCES LIMITED	10,911,255	8.01
POINT AT INFINITY PTY LTD <CORNEJO FAMILY A/C>	6,748,583	4.95
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,110,992	3.02
OOFY PROSSER PTY LTD <DRONES FAMILY A/C>	3,532,365	2.59
UBS NOMINEES PTY LTD	2,124,004	1.56
CITICORP NOMINEES PTY LIMITED	1,883,250	1.38
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,597,752	1.17
THE UNIVERSITY OF WESTERN AUSTRALIA	1,516,567	1.11
MR ADRIAN JOHN MCTIERNAN	1,327,500	0.97
TURQUOIS BLUE PTY LTD <BLUEHAVEN S/F A/C>	1,300,000	0.95
MR JAMIE PHILLIP BOYTON	1,200,000	0.88
MRS LORRAINE ALYSSA GOLDSMITH	1,048,844	0.77
MR PETER KARAS	952,380	0.70
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	880,499	0.65
MR JAMIE PHILLIP BOYTON	800,000	0.59
MS EMMA WALDON	775,000	0.57
MRS JOANNE ROSEMARY LLOYD	750,000	0.55
SHERKANE PTY LTD	725,162	0.53
RANGEGROVE PTY LTD <WARD BERTRAND A/C>	677,922	0.50
MR PETER HOWELLS	625,000	0.46
	43,487,075	31.91

SHAREHOLDER INFORMATION

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares – Series B	8,750,000	7
Options over ordinary shares – Series J	3,750,000	4
Options over ordinary shares – Series K	3,500,000	3
Options over ordinary shares – Series L	2,000,000	1
Options over ordinary shares – Series M	4,050,000	6
Options over ordinary shares – Series N	3,450,000	4
Total	25,625,000	

The unquoted equity securities were issued to key management personnel, employees and contractors of the Company.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Mineral Resources Limited	10,911,255	8.01%

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

On-market Buy-back
There is no current on-market buy-back of the Company's securities in place.